CMP434 Implementing Connections Reform
CM095 Implementing Connections Reform

Workgroup Meeting 17, 13 August 2024
Online Meeting via Teams

ESO

WELCOME

Agenda

Topics to be discussed	Lead
Timeline	Chair
Scene Setting – Workgroup 17	Proposer
Review CM095 Workgroup Consultation Responses	ALL
Review CMP434 Workgroup Consultation Responses	ALL
Any Other Business	Chair
Next Steps	Chair

ESO

Timeline

Claire Goult – ESO Code Administrator

CMP434/ Implementing Connections Reform Timeline

Post Workgroup Consultation		
CMP434 Workgroup 17	13/08/24	Consultation review of responses
CMP434 Workgroup 18	19/08/24	Workgroup for Alternatives discussion - TBC
CMP434 Workgroup 19	20/08/24	Finalise solution
CMP434 Workgroup 20	27/08/24	Finalise solution + Alternative Vote
CMP434 Workgroup 21	03/09/24	Original legal text
CMP434 Workgroup 22	11/09/24	WACM legal text
CMP434 Workgroup 23	17/09/24	Finalise WG Report & ToR, WG vote
CMP434 Workgroup Report to Panel	20/09/24	
CMP434 Panel to agree whether ToR have been met	25/09/24	Special Panel
Post Workgroups		
CMP434 Code Administrator Consultation	26/09/24 – 10/10/24	
CMP434 Draft Final Modification Report to Panel	16/10/24	
CMP434 Final Modification Report to Panel to check Votes	22/10/24	Special Panel
CMP434 Final Modification to Ofgem	22/10/24	
CMP434 Decision Date	13/12/24	
CMP434 Implementation Date	01/01/25	

ESO

CM095 Implementing Connections Reform Timeline

Post Workgroup Consultation		
CM095 Workgroup 17	13/08/24	Consultation review of responses
CM095 Workgroup 18	19/08/24	Workgroup for Alternatives discussion - TBC
CM095 Workgroup 19	20/08/24	Finalise solution
CM095 Workgroup 20	27/08/24	Finalise solution + Alternative Vote
CM095 Workgroup 21	03/09/24	Original legal text
CM095 Workgroup 22	11/09/24	WACM legal text
CM095 Workgroup 23	17/09/24	Finalise WG Report & ToR, WG vote
CM095 Workgroup Report to Panel	20/09/24	
CM095 Panel to agree whether ToR have been met	25/09/24	Special Panel
Post Workgroups		
CM095 Code Administrator Consultation	26/09/24 – 10/10/24	
CM095 Draft Final Modification Report to Panel	16/10/24	
CM095 Final Modification Report to Panel to check Votes	22/10/24	Special Panel
CM095 Final Modification to Ofgem	22/10/24	
CM095 Decision Date	13/12/24	
CM095 Implementation Date	01/01/25	

ESO

WG17 Scene Setting

Ruby Pelling – CMP434 Proposer

ESO

Meeting Objectives

What is the focus of the meeting?

- To review the CM095 Workgroup consultation responses

- To review the CMP434 Workgroup consultation responses

What is the ask of the workgroup?

- To ensure the main points and themes have been pulled out of the responses

- Identify any gaps within the summarised responses

- Identify any key concerns which require addressing

What is the desired output of the meeting?

- To finalise the CMP434 and CM095 Workgroup response summary to include in the Workgroup report

What should not be discussed?

- Whether you agree/disagree with the Proposers solution

- Alternative requests

ESO

Review the CM095 Workgroup Consultation Responses
All

CM095 Response Overview

Number of Responses/Alternatives	
Confidential Responses	1
Non-Confidential Responses	10
Alternative Requests	0

Industry Sector Representation*	
Consumer body	0
Demand	0
Distribution Network Operator	0
Generator	4
Industry body	1
Interconnector	1
Storage	1
Supplier	1
System Operator	1
Transmission Owner	3
Virtual Lead Party	0
Other	0

*Please note some responses represent a number of industry sectors and this tally does not include confidential respondents

ESO

CM095 Response Overview

Question		Number of Respondents		
		Yes	No	N/A
Do you believe that the Original Proposal better facilitates the Applicable Objectives?	A	6		
	B	4		
	C	5		
	D	1		
	E	5		
	F	6		
	G	1		
	Overall			3
Do you support the proposed implementation approach?		8	2	
Do you agree with the components of the proposed solution?	A	7	3	
	B	7	2	1
	C	8	2	
Do you agree that the Proposer has fully identified the high-level impacts (subject to legal text drafting) on the STC and STCPs as a result of the CMP434 Proposal?		5	3	2
In your consideration of the CM095 proposal, are there any potential risks for implementation which might also impact the CMP434 or CMP435/CM096 proposals?		7	2	1

CM095 Response Overview – Implementation Approach

- One respondent acknowledged that process steps and timescales may need to change post consultation.
- Several respondents noted the need for guidance, methodologies and processes to be in place and communicated to industry before implementation.
- Several respondents noted concern with the limited time available for methodology development, and possible unintended consequences due to the expedited process.
- One respondent noted that there is not enough time for TOs to embed the new processes following Authority decision, before the go-live date.
- One respondent noted the need for the ESO to work proactively with TOs.

ESO

CM095 Response Overview – Components

- Several respondents asked for further detail on timescales for the proposed reformed process, including clarification of ESO/TO involvement.
- Several respondents highlighted the need for timescales to be more realistic, with the ESO working with TOs to address the duration of each stage, and to avoid crossover between assessment and offer periods.

- Several respondents noted the CNDM approval date risk, and highlighted that the CNDM should be codified within the STC, with more detail shared on this by the ESO.
- One respondent noted the need to enhance codification of capacity reallocation mechanism.

- One respondent noted that further information is needed on how Capacity Reservation would operate, noting that it needs to be transparent and developed with STC parties.
- Several respondents noted the possibility of a negative impact on other parties.
- Several respondents noted they did not think CATOs should be included in the Proposal.
- Concerns were raised regarding how the reservation process will be implemented and managed, noting that it should not create inefficiencies or disadvantage onshore projects.

ESO

CM095 Response Overview – Impacts identified as a result of CMP434

- Several respondents noted that the consultation provided insufficient detail on the reformed process, obligations and timings.
- One respondent noted the need for transparency and monitoring of how each party is discharging their obligations.
- One respondent highlighted that more work is required on the detail of proposed changes so stakeholders can assess how this compares to the baseline.
- One respondent requested clarity around project designation and if there will be a codified process for this between the ESO and TOs.

ESO

CM095 Response Overview – Potential Implementation Risks

- Several respondents noted the interdependencies on other modifications and licence changes and noted that changes could impact all of these.
- Several respondents noted the lack of time between Ofgem approval and the go-live date.
- Several respondents noted that methodologies have not yet been drafted and noted that this could delay implementation, particularly if stakeholders are given time to engage.
  - Several respondents raised concerns that methodologies and guidance notes should be codified.
  - One respondent noted there should be a limit to the frequency of change of methodologies and assessment on impact of changes on TO licence obligations.
- One respondent noted that not codifying methodologies creates risk to achieving desired outcomes.
- One respondent noted that STCPs 18-1 to 18-6 should be reviewed ahead of implementation to avoid any confusion.

ESO

Review the CMP434 Workgroup Consultation Responses
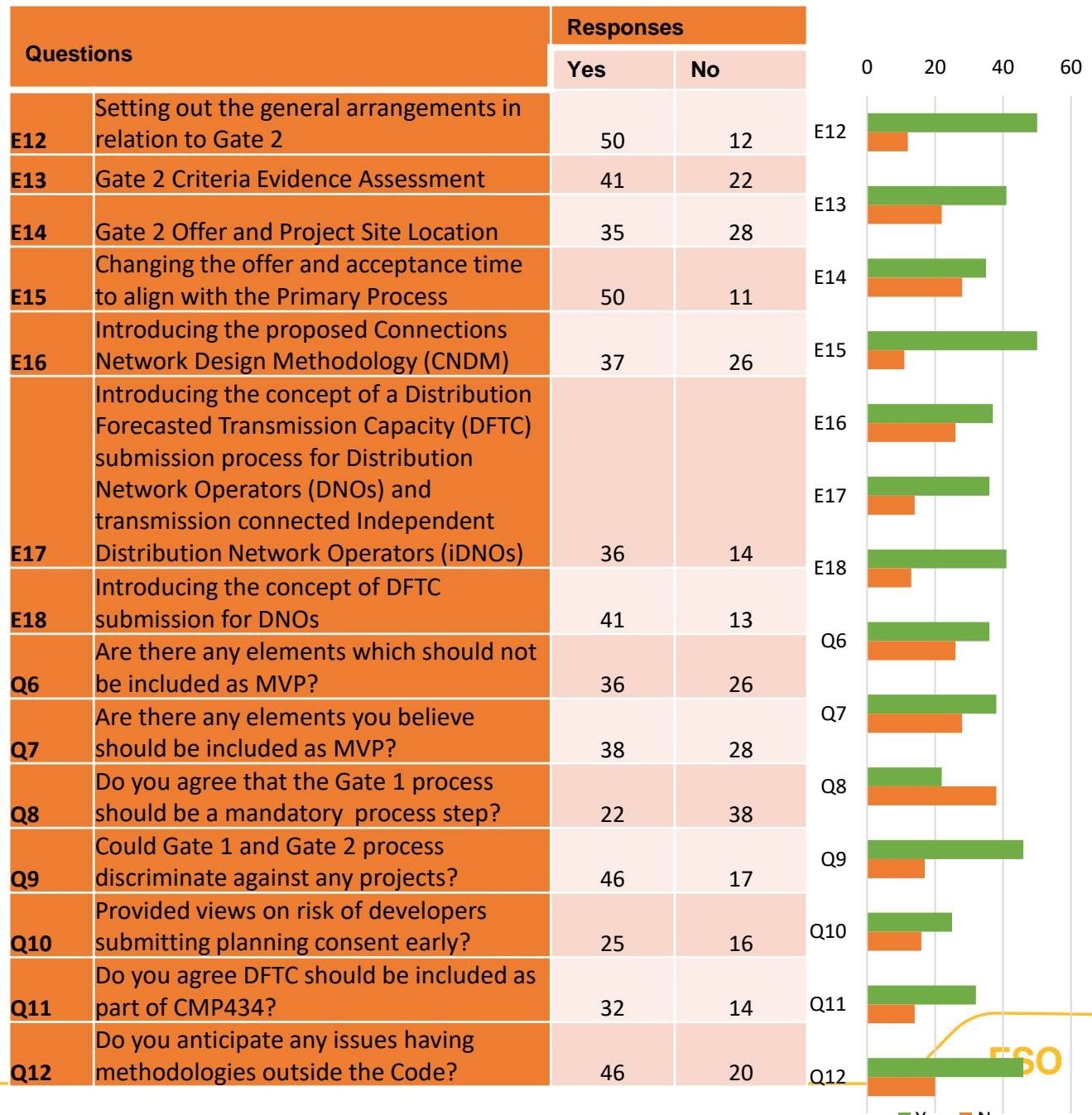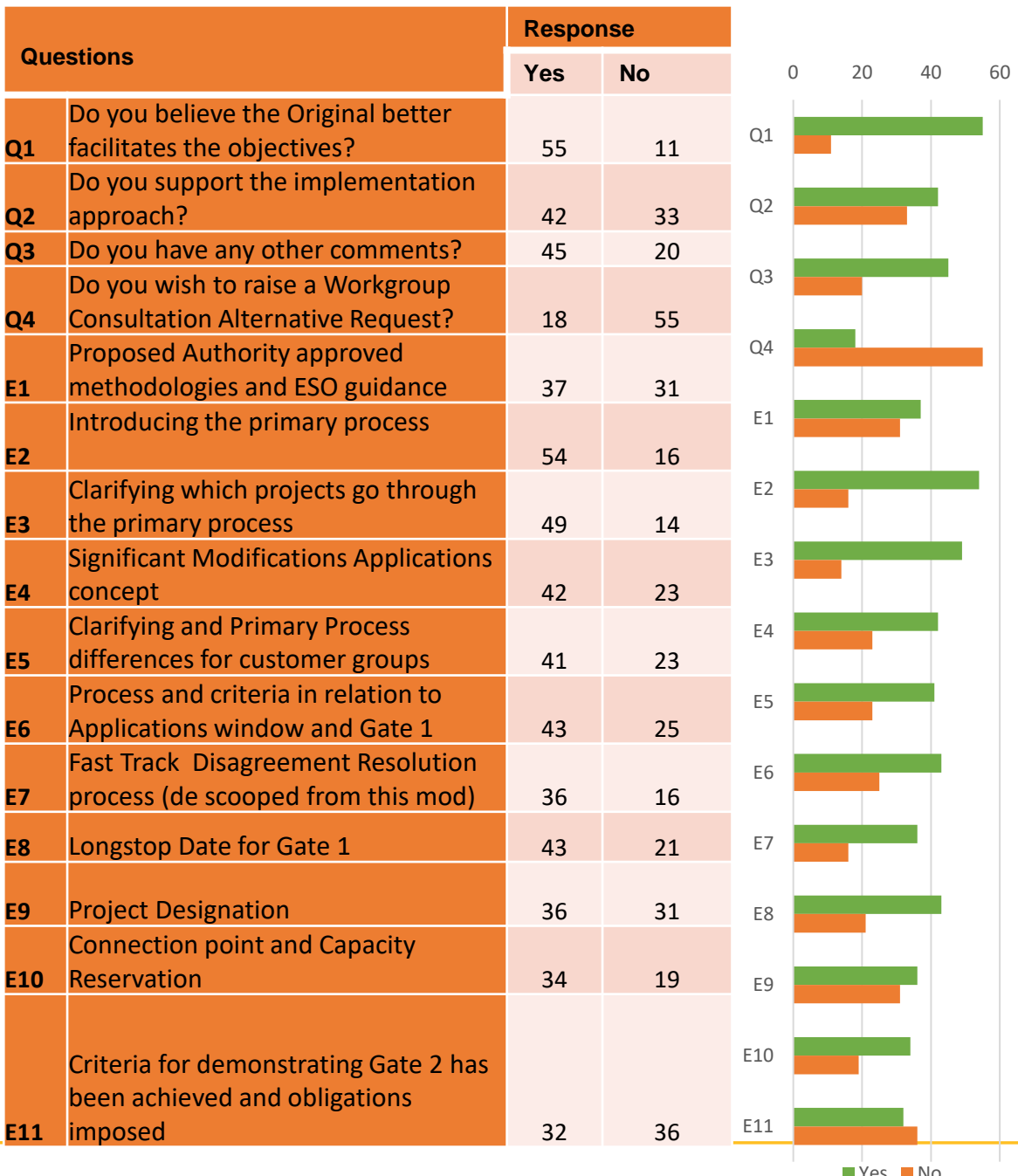
All

ESO

CMP434 Response Overview

Number of Responses/Alternatives	
Confidential Responses	4
Non-Confidential Responses	82
Alternative Requests	19

Do you believe that the Original Proposal better facilitates the Applicable Objectives?	Yes
Applicable CUSC Objective A	47
Applicable CUSC Objective B	47
Applicable CUSC Objective C	17
Applicable CUSC Objective D	37
Note: one respondent indicated Yes to the objectives being better facilitated, but did not indicate which objective(s) this referred to.	

Industry Sector Representation*	
Consumer body	1
Demand	6
Distribution Network Operator	9
Generator	50
Industry body	3
Interconnector	4
Storage	11
Supplier	3
System Operator	1
Transmission Owner	4
Virtual Lead Party	0
Other	6

*Please note some responses represent a number of industry sectors and this tally does not include confidential respondents

ESO

CMP434 Response Overview

Questions		Response	
		Yes	**No**
Q1	Do you believe the Original better facilitates the objectives?	55	11
Q2	Do you support the implementation approach?	42	33
Q3	Do you have any other comments?	45	20
Q4	Do you wish to raise a Workgroup Consultation Alternative Request?	18	55
E1	Proposed Authority approved methodologies and ESO guidance	37	31
E2	Introducing the primary process	54	16
E3	Clarifying which projects go through the primary process	49	14
E4	Significant Modifications Applications concept	42	23
E5	Clarifying and Primary Process differences for customer groups	41	23
E6	Process and criteria in relation to Applications window and Gate 1	43	25
E7	Fast Track Disagreement Resolution process (de scoped from this mod)	36	16
E8	Longstop Date for Gate 1	43	21
E9	Project Designation	36	31
E10	Connection point and Capacity Reservation	34	19
E11	Criteria for demonstrating Gate 2 has been achieved and obligations imposed	32	36

Questions		Responses	
		Yes	**No**
E12	Setting out the general arrangements in relation to Gate 2	50	12
E13	Gate 2 Criteria Evidence Assessment	41	22
E14	Gate 2 Offer and Project Site Location	35	28
E15	Changing the offer and acceptance time to align with the Primary Process	50	11
E16	Introducing the proposed Connections Network Design Methodology (CNDM)	37	26
E17	Introducing the concept of a Distribution Forecasted Transmission Capacity (DFTC) submission process for Distribution Network Operators (DNOs) and transmission connected Independent Distribution Network Operators (iDNOs)	36	14
E18	Introducing the concept of DFTC submission for DNOs	41	13
Q6	Are there any elements which should not be included as MVP?	36	26
Q7	Are there any elements you believe should be included as MVP?	38	28
Q8	Do you agree that the Gate 1 process should be a mandatory process step?	22	38
Q9	Could Gate 1 and Gate 2 process discriminate against any projects?	46	17
Q10	Provided views on risk of developers submitting planning consent early?	25	16
Q11	Do you agree DFTC should be included as part of CMP434?	32	14
Q12	Do you anticipate any issues having methodologies outside the Code?	46	20

CMP434 Response Overview – Question 2 Implementation Approach

- 42 Respondents agreed with the implementation approach whilst 32 disagreed

- Concerns were expressed by several respondents around the timeline of the implementation approach. One respondent felt it was unrealistic considering Christmas holidays and New year, the number of likely alternatives and industries ability to adapt and fully understand requirements ready for the first application window. Other respondents felt the process seems rushed which would have unintended consequences and create problems further down the line. Another respondent questioned practical delivery in such tight timeframes.

- One respondent supports arrangements for new applications submissions and significant mod applications but did not support the proposed implementation approach because of their current understanding of proposed timelines.

- Other concerns raised by respondents regarding the implementation approach were:
  - The lack of impact assessment for the current proposal.
  - Unclear whether the proposed elements will effectively address the defect.
  - The proposal to codify only high level concepts and enforce changes via guidance and methodologies.
  - Lacks credibility, citing concerns about the timeline and the lack of visibility into essential ESO methodologies and guidance documents.

- One respondent felt the proposed implementation approach and timescale seem reasonable if ESO and the Authority think the required accompanying changes can be made and communicated in time

ESO

Any Other Business
Claire Goult – ESO Code Administrator

ESO

Next Steps
Claire Goult – ESO Code Administrator

ESO

Raising an Alternative Request Information

ESO

What is the Alternative Request?

What is an Alternative Request? The formal starting point for a Workgroup Alternative Modification to be developed which can be raised up until the Workgroup Vote.

Who can raise an Alternative Request? Any CUSC Party, BSC Party, the Citizens Advice or the Citizens Advice Scotland may (subject to Paragraph 8.20.20) raise a Workgroup Consultation Alternative Request in response to the Workgroup Consultation. If you are not a CUSC Party, but are nominated by a CUSC Schedule 1 Party, please submit a statement in writing from the nominating party to confirm submission of the Alternative Request on their behalf. No Workgroup Consultation Alternative Request may be raised by any CUSC Party during any second or subsequent Workgroup Consultation.

What do I need to include in my Alternative Request form? The requirements are the same for a Modification Proposal you need to articulate in writing:
- a description (in reasonable but not excessive detail) of the issue or defect as outlined in the Original Proposal which the alternative seeks to address compared to the current proposed solution(s);
- the reasons why the you believe that the proposed alternative request would better facilitate the Applicable Objectives compared with the current proposed solution(s) together with background information;
- where possible, an indication of those parts of the Code which would need amending in order to give effect to (and/or would otherwise be affected by) the proposed alterative request and an indication of the impacts of those amendments or effects; and
- where possible, an indication of the impact of the proposed alterative request on relevant computer systems and processes.

How do Alternative Requests become formal Workgroup Alternative Modifications? The Workgroup will carry out a Vote on Alternatives Requests. If the majority of the Workgroup members or the Workgroup Chair believe the Alternative Request will better facilitate the Applicable Objectives than the current proposed solution(s), the Workgroup will develop it as a Workgroup Alternative Modification.

Who develops the legal text for Workgroup Alternative Modifications? ESO will assist Proposers and Workgroups with the production of draft legal text once a clear solution has been developed to support discussion and understanding of the Workgroup Alternative Modifications.

Voting Information

What is the Alternative Vote?

To participate in any votes, Workgroup members need to have attended at least 50% of meetings. The vote shall be decided by simple majority of those present at the meeting at which the vote takes place (whether in person or by teleconference)

Stage 1 – Alternative Vote

- Vote on whether Workgroup Alternative Requests should become Workgroup Alternative CUSC/ STC Modifications.

- The Alternative vote is carried out to identify the level of Workgroup support there is for any potential alternative options that have been brought forward by either any member of the Workgroup OR an Industry Participant as part of the Workgroup Consultation.

- **Should the majority of the Workgroup OR the Chair believe that the potential alternative solution may better facilitate the CUSC/ STC objectives than the Original then the potential alternative will be fully developed by the Workgroup with legal text to form a Workgroup Alternative CUSC modification (WACM)/ STC modification (WASTM)** and submitted to the Panel and Authority alongside the Original solution for the Panel Recommendation vote and the Authority decision.

What is the Workgroup Vote?

To participate in any votes, Workgroup members need to have attended at least 50% of meetings. The vote shall be decided by simple majority of those present at the meeting at which the vote takes place (whether in person or by teleconference)

Stage 2 – Workgroup Vote

- 2a) Assess the original and Workgroup Alternative (if there are any) against the relevant Applicable Objectives compared to the baseline (the current code)
- 2b) Vote on which of the options is best.

Alternate Requests cannot be raised after the Stage 2 – Workgroup Vote